

**State Planning Office  
WEEKLY HIGHLIGHTS  
Week ending January 25, 2008**

State law assigns four core duties to the State Planning Office that include: 1) conducting continuing economic analysis, including economic forecasting, 2) coordinating the development of the State's economy and energy resources with the conservation of its natural resources; 3) providing technical assistance to towns and regions; and 4) providing technical assistance to the Governor and Legislature by undertaking special studies and plans and preparing policy alternatives.

**UPCOMING MEETINGS**

- Jan 28 **SPO Presentation to State and Local Government Committee on Government Evaluation Act report**  
11:00 am – Room 216, Cross Office Building  
View SPO's GEA report on-line at:  
<http://www.maine.gov/spo/docs/gea2007/index.php>
- Jan 29 **Presentation to Appropriations and State and Local Government committees on SPO's Supplemental Budget**  
1:00 PM - Room 228, State House  
CONTACT: Tony VanDenBossche at 287-1474 or [tony.vandenbossche@maine.gov](mailto:tony.vandenbossche@maine.gov)
- Jan 30 **Quality of Place Working Group on Regional Asset-Based Development**  
1:00 - 4:30 pm - Old Federal Building, Downtown Augusta, MDF Conference Room  
CONTACT: Linda LaPlante at 287-6077 or [linda.c.laplane@maine.gov](mailto:linda.c.laplane@maine.gov)
- Jan 31 **SPO Presentation to BRED Committee on PL 2007, Resolve 46, Building Codes Proposal**  
Afternoon - Room 208, Cross Office Building  
CONTACT: Sue Inches at 287-2989 or [sue.inches@maine.gov](mailto:sue.inches@maine.gov)
- Feb 6 **LMF Presentation to Agriculture, Conservation and Forestry on Government Evaluation Act report**  
Afternoon - Room 206, Cross Office Building  
CONTACT: Tim Glidden at 287-1487 or [tim.glidden@maine.gov](mailto:tim.glidden@maine.gov)

**DIRECTOR'S POLICY AND MANAGEMENT TEAM**

**Building codes implementation plan to be presented to BRED committee.** Following six months of work, a steering committee consisting of representatives of the Department of Economic and Community Development, Maine Historic Preservation Commission, State Fire Marshal' Office, and Department of Professional and Financial Regulation, and chaired by the State Planning Office, conducted research and analysis and gathered stakeholder input on a proposed uniform state building code.

The steering committee hosted four focus groups, held public meetings in Bangor, Portland, and Presque Isle, made presentations to 14 interest groups, and accepted over 70 public comments. Based on this work, the steering committee will present its proposal to the Business, Research and Economic Development Committee (BRED) on January 31.

The State Planning Office would like to thank everyone who attended meetings and submitted comments. The most current proposal, dated January 17, 2008, can be found on-line at <http://www.maine.gov/spo/resolve46buildingcodes/index.php>. **CONTACT: Sue Inches at 287-2989 or [sue.inches@maine.gov](mailto:sue.inches@maine.gov) or Amy Cole-Ives at 287-8052 or [amy.cole-ives@maine.gov](mailto:amy.cole-ives@maine.gov)**

## **ECONOMICS & DEMOGRAPHICS**

**November retail sales up.** Total state retail sales for November 2007 increased 4.2% over November 2006. The increase in total sales was led by a 12% rise in business operating sales, which are sales between businesses. Part of the increase is the result of rising fuel prices. Personal consumption sales, which exclude the business operating category, also were up 3.2% over the same period. The lodging sector also continues to show strong year-over-year gains, with 12.6% increase over November of last year, and up 8% through the first eleven months of the year. These gains were offset by a decline in the building supply sector which continues to show the impact of reduced home building.

### **November 2007 Retail Sales**

	% Change From Nov 2006	% Change Jan-Nov From Year Ago
Business Operating	12.0%	3.9%
Bldg. Supply	-1.0%	-3.7%
Food Store	1.4%	3.1%
General Mdse.	7.3%	2.7%
Other Retail	6.5%	0.0%
Auto Transportation	2.3%	0.7%
Total	4.2%	1.5%
Personal Consumption	3.2%	1.2%
Restaurant	-1.6%	3.8%
Lodging	12.6%	8.0%

Source: Maine Revenue Services

The taxable retail sales data is available for download on the State Planning Office Web site at <http://www.maine.gov/spo/economics/economics/retailsales.php>.

**CONTACT: David Douglass at 287-1478 or [david.douglass@maine.gov](mailto:david.douglass@maine.gov)**

**Consensus Economic Forecasting Commission meets.** The Maine Consensus Economic Forecasting Commission convened on January 22, 2008, to refine its November 2007 forecast. The new forecast projects a slowdown in national and state economic activity in 2008 and a slow recovery in 2009

The latest economic data released since their last meeting in October indicate a weaker employment market and slowdown in retail sales. The weaker national economy, which is slowing because of higher oil prices and the impact of subprime mortgage losses on the financial markets, is the primary reason for the slowdown in Maine.

The commission lowered its two primary growth indicators for 2008 and projected a slow recovery in 2009. In response to weaker national demand Maine nonfarm wage and salary employment will produce no net increase in jobs in 2008 and return to 0.6% annual growth in 2009, staying in the 0.6 to 0.7% range through 2012. The reduced job growth will lead to lower growth in wage and salary income, lowering personal income growth in 2008 to 3.5% from the 4.4% forecasted in November. The commission slightly increased its forecast for the Consumer Price Index, a measure of household inflation, to 2.3% in 2008, returning to around 2.1% in later years as the national economy stabilizes.

The table below outlines the forecast's major indicators.

Calendar Years	2007	2008	2009	2010	2011	2012
<b>Wage &amp; Salary Employment</b> (Annual Percentage Change)						
CEFC Forecast 10/2007	0.5	0.3	0.6	0.7	0.7	
CEFC Forecast 1/2008	0.5	0.0	0.6	0.7	0.6	0.6
<b>Personal Income</b> (Annual Percentage Change)						
CEFC Forecast 10/2007	4.9	4.4	4.5	4.5	4.6	
CEFC Forecast 1/2008	5.1	3.5	4.1	4.2	4.1	4.2
<b>CPI</b> (Annual Percentage Change)						
CEFC Forecast 10/2007	2.5	2.2	2.2	2.2	2.2	
CEFC Forecast 1/2008	2.8	2.3	2.1	2.1	2.2	2.1

The commission's final forecast will be released within the next few weeks. **CONTACT:** David Douglass at 287-1478 or [david.douglass@maine.gov](mailto:david.douglass@maine.gov)

## **MAINE COASTAL PROGRAM**

**MRW Marina at Portsmouth Naval Shipyard is Maine's newest 'Clean Marina.'** MRW Marina at Portsmouth Naval Shipyard is the Maine Clean Boatyards & Marinas Program's most recently-designated clean marina, and the first naval facility to achieve the designation on the east coast. Our congratulations go out to the facility crew and management for their hard work and perseverance!

In order to qualify as a Maine Clean Boatyard & Marina, the shipyard had to demonstrate a high level of performance in each of the five 'clean marina' program areas. Participation in the 'above compliance' Maine Clean Boatyards & Marinas Program is voluntary; and participating facilities sign a pledge, complete a self-assessment, work with assistance providers to make needed improvements, and then invite a verification team to inspect the facility. The program in 2008 is implemented by the Maine Marine Trade Association, the Maine Coastal Program, and

agency partners with funding from the Maine DEP. **CONTACT: Paula Thomson at 287-1482 or [paula.thomson@maine.gov](mailto:paula.thomson@maine.gov).**

## **COMMUNITY ASSISTANCE PROGRAMS**

**Recycling PSA competition winners announced.** The State Planning Office announced the winners of its 2007 recycling film and radio competition. The competition solicited 30- and 60-second ads from Maine high schools and colleges to be used in conjunction with the new *Maine Recycles* campaign. The Office received 80 videos for film and three radio spots from 25 high schools and two colleges. The Office selected the three top prize-winning entries and 15 honorable mention entries. For a full list of winners, go on-line at: <http://www.maine.gov/spo/recycle/>. **CONTACT: Jetta Antonakos at 287-9074 or [jetta.antonakos@maine.gov](mailto:jetta.antonakos@maine.gov)**

## **LAND FOR MAINE'S FUTURE PROGRAM**

**GEA report submitted.** The Land For Maine's Future program has submitted its report pursuant to the State Government Evaluation Act (3 MRSA §951 et seq.). This report, submitted every five years, provides an overview of program operations and accomplishments along with an assessment of emerging issues and challenges facing the program. This report supplements the biennial reports that your committee receives under the provisions of the Land for Maine's Future (LMF) statute itself. The Legislature's Agriculture, Conservation, and Forestry Committee will review the report on February 6. **CONTACT: Tim Glidden at 287-1487 or [tim.glidden@maine.gov](mailto:tim.glidden@maine.gov)**

## **LAND USE PLANNING PROGRAM**

**Public hearing scheduled on proposed amendments to service center rule.** The State Planning Office is proposing to amend Chapter 220, the rule it uses to identify municipalities serving as regional service centers in accordance with 30-A MRSA §4301, sub §14-A. The amendment would extend the timeframe for updating the list of service centers using this methodology from five (5) to ten (10) years to coincide with the release of new census data. The Office also proposes to update references to the data sets required in the methodology for determining service center communities to reflect recent job classification coding changes by the Department of Labor.

The formal public hearing on this rule is scheduled for February 13, 2008, at the Pine Tree State Arboretum at 153 Hospital Street in Augusta beginning at 3:00 p.m. For more information or for a copy of the proposed rule amendment, go on-line at: <http://www.maine.gov/spo/landuse/techassist/svccenters.php>. **CONTACT: Stacy Benjamin at 287-8061 or [stacy.benjamin@maine.gov](mailto:stacy.benjamin@maine.gov)**

## **GOVERNOR'S OFFICE OF ENERGY INDEPENDENCE AND SECURITY**

**Heating fuel prices drop again.** The Office of Energy Independence and Security January 21, 2008 survey of home heating oil prices found the current statewide average cash price for No. 2 heating oil to be down by \$.04 since the last week at \$3.30 per gallon and \$1.09 higher than last year at this time. The price of WTI crude oil at the last close down significantly from last week to \$90.57 per barrel. This is a major driver of refined product prices, including heating oil. The price of crude oil has fallen almost 4% as worries about the global economy grow.

As of January 11, New England (PADD1a) heating oil inventories stood at 9,346 thousand barrels, or 3,205 thousand barrels less than last year at this time. Inventories of heating oil continue to increase in the northeast, but the total inventories are still near a five-year low accounting for the near record price.

The Office conducts a weekly survey of home heating oil, kerosene, and propane prices from November through March. For more information:

<http://www.maineenergyinfo.com/oil/index.html>. **CONTACT: Ian Burnes at 287-8927 or [ian.burnes@maine.gov](mailto:ian.burnes@maine.gov)**